

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                     |   |               |
|-------------------------------------|---|---------------|
| APPLICATION OF MEADE COUNTY RURAL   | ) |               |
| ELECTRIC COOPERATIVE CORPORATION    | ) |               |
| REQUESTING COMMISSION APPROVAL OF A | ) |               |
| CERTIFICATE OF CONVENIENCE AND      | ) |               |
| NECESSITY TO CONSTRUCT ADDITIONAL   | ) | CASE NO. 9634 |
| PLANT AND EXTENSIONS AND APPROVAL   | ) |               |
| TO ISSUE SECURITIES FROM THE        | ) |               |
| NATIONAL RURAL UTILITIES COOPERA-   | ) |               |
| TIVE FINANCE CORPORATION            | ) |               |

O R D E R

Meade County Rural Electric Cooperative Corporation ("Meade County") filed its application on July 16, 1986, for a certificate of convenience and necessity to construct certain improvements and additions to its existing plant, and for approval to borrow funds and to execute its notes and mortgages to secure such loan. The Commission requested additional information and it was received on August 21, 1986. These improvements and additions, as more specifically described in the application and record, are estimated to cost \$2,648,000 and will be financed by a loan of \$1,854,000 from the Rural Electrification Administration ("REA") and a loan of \$810,204 from the National Rural Utilities Cooperative Finance Corporation ("CFC").

The Public Service Commission, after consideration of the application and all evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require the construction by Meade County of the improvements and additions to its existing plant as described in the application and record, and a certificate should be granted.

2. The proposed borrowing from CFC is for lawful objects within the corporate purposes of Meade County, is necessary and appropriate for and consistent with the proper performance by Meade County of its service to the public, and will not impair its ability to perform that service.

IT IS THEREFORE ORDERED that:

1. Meade County be and it hereby is granted a certificate of convenience and necessity to proceed with the construction and additions as set forth in the application and record.

2. Meade County be and it hereby is authorized to borrow \$810,204 from CFC for a 35-year period and bearing either a fixed or variable interest rate, as chosen by Meade County, at the time the first monies are drawn from CFC, subject to the provisions and terms of the application with respect to renegotiation of the interest rate.

3. Meade County shall utilize the interest rate program which will result in the net lowest cost of money to Meade County over the term of the financing.

4. Meade County shall notify the Commission of the interest rate option elected for the financing approved herein along with a statement as to the basis for the decision.

5. Meade County be and it hereby is authorized to execute its notes as security for the loan herein authorized.

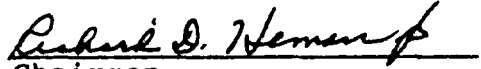
6. The proceeds from the proposed borrowing shall be used only for the lawful purposes set out in the application and record.

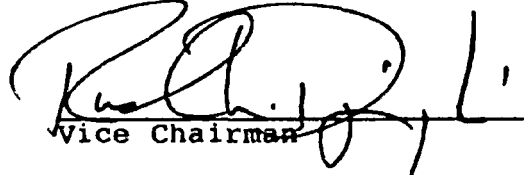
7. Meade County shall file, along with its monthly financial report to the Commission, the current interest rate on its variable rate loans outstanding.

Nothing herein contained shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 16th day of September, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director